

May 27, 1999

RPC Talking Points

Democrat Hypocrisy on Lock Box

Not surprisingly, Senate Democrats oppose protecting Social Security with a legislative lock box. They, like their president, want to spend the money. Yet, only two months ago, all Senate Democrats joined Republicans in going on record for the lock-box. *Then*, they all helped pass the Abraham/Grams amendment to the FY 2000 budget resolution favoring very strict rules to keep Congress from spending the Social Security surplus. *Now*, they oppose putting their words into law to protect Social Security and its surplus.

A Spendthrift President

- President Clinton has never attempted to save the Social Security surplus, despite two successive State of the Union pledges to do so.
- Clinton in his latest budget proposed raiding Social Security for \$40 billion next year.
- Clinton also proposes raiding Social Security for \$158 billion over the next five years.
- It was Clinton who first proposed using the Social Security surplus to fund the recently passed supplemental appropriations bill. He sent his request to Congress without fully offsetting it, thereby setting the stage for the funds to come out of the Social Security surplus.
- When making his initial calculations regarding the deployment in Kosovo, Clinton also evidently considered it acceptable for the Social Security surplus to pay for it.
- Clinton has used the Social Security surplus for extra spending throughout his administration — including funding his nationalized health care scheme in 1993-4.

A Break from the Past

Why do we need the lock box legislation when President Clinton has proposed and Republicans have agreed to save the Social Security surplus for its reform?

- Congress has waited for two years for the President's Social Security reform plan — we have reserved the bill numbers S. 1 and H.R. 1 for the legislation when (and if) it arrives.

- Instead of Social Security reform, the President has sent bills *to spend* the Social Security surplus — money we all agree should be used for Social Security alone.
- Social Security is not safe because there are not effective budget rules in place to stop the Government from spending the Social Security surplus, and thereby endangering its reform. Meanwhile, proposals to spend that surplus, as noted above, are already proliferating.
- In an effort to stop those proposals, the Senate's budget resolution assumed that new budget rules would be created (what we call a lockbox) to protect the Social Security surplus.

In the period of chronic deficits preceding Republican control of Congress in 1995, the Social Security surplus was routinely used for non-Social Security purposes. However, with the advent of record budget surpluses resulting from Congressional Republicans' passage of balanced budget legislation, we have the means to change this and we should.

- Starting in 2001, the Congressional Budget Office projects an \$830 billion non-Social Security surplus through 2009.
- This allows us to protect the \$1.8 trillion Social Security surplus over the next 10 years.
- The recently-passed Republican budget resolution contains a \$92.4 billion reserve fund. It can be used for paying for emergencies.

Enact Lock Box Now

If Clinton and his Democrat colleagues are sincere about the commitment they made to control spending as part of the 1997 bipartisan budget deal (which Clinton signed), they should pass the lock box bill so the Social Security surplus can be saved. They're already on the record:

- The Abraham amendment to the FY 2000 budget resolution proposed a lock box to protect the Social Security surplus — it passed in March of this year by a vote of 99-0. Why do Democrats oppose it now?

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